

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Service Performance Measurement
Systems For Market Dominant Products

Docket No. PI2015-1

CHAIRMAN'S INFORMATION REQUEST NO. 4

(Issued November 18, 2015)

To clarify the proposals presented by the Postal Service in its Docket No. PI2015-1 Service Performance Measurement plan, the Postal Service is requested to provide a written response to the following questions.¹ Answers to the questions should be provided as soon as they are developed, but no later than December 3, 2015.

1. Please refer to the Revised Response of the United States Postal Service to Question 4 of Chairman's Information Request No. 3, October 7, 2015, at 2. With respect to measuring service performance of commercial mail, the Postal Service refers to Seamless Acceptance Service Performance (SASP), Business Information Data Store (BIDS), and Intelligent Mail Accuracy and Performance Systems (IMAPS).
 - a. Please identify the commercial mail, market dominant, products (or components of a product) that uses SASP, BIDS, and/or IMAPS.
 - b. Please provide a description of SASP and BIDS. Include operation manuals, cites to publicly available information, or other descriptive material as appropriate.

¹ The United States Postal Service, Service Performance Measurement, Revised March 24, 2015 plan filed March 24, 2015, is referred to as the "Postal Service Plan" throughout this information request. The Informed Visibility (IV) Statistical Design Plan for Internal Service Performance Measurement, dated August 19, 2015, filed August 25, 2015, is referred to as the "Statistical Design Plan" throughout this information request.

- c. Please discuss whether or not the Postal Service Plan will replace (partially or fully) SASP and/or BIDS?
2. Please refer to the Revised Response of the United States Postal Service to Question 4 of Chairman's Information Request No. 3, October 7, 2015, at 2. The Postal Service states: "[t]here are significant differences between the current external and hybrid systems and the proposed internal SPM system. Therefore, there is no expectation that the service scores generated by the current and proposed systems will be identical." Please explain how the Postal Service will compare the service scores obtained under the current and proposed systems, including the proposed methodology for such comparisons.
3. On page 7 of the Statistical Design Plan, the Postal Service states: "[t]he actual and scheduled collection times for all managed collection points will be used to develop a Collection Profile."
 - a. Please define "scheduled collection times."
 - b. Please explain what collection points will serve as "managed collection points."
4. On page 7 of the Statistical Design Plan, the Postal Service states: "[t]he Collection Profile will be calculated based on the evaluation of daily Postal Service personnel scanning activities for managed collection boxes in the Collection Point Management System (CPMS) with eligible box types and location types." Please indicate what box types and location types are considered eligible.
5. On page 8 of the Statistical Design Plan, there is a description of the methodology for estimating density in the collection boxes for a day of the week. Please discuss whether or not the Postal Service will initiate any testing to compare the (statistical) variation between the estimates obtained using the described methodology and the actual density of the particular collection boxes.

If so, please describe the methodology for such testing and provide the results when available.

6. On page 12 of the Statistical Design Plan, the Postal Service states that initial sampling targets are set at approximately 200 collection boxes per week per district. Is this calculation based on the formula presented on page 11 of the Statistical Design Plan? If not, please explain. Please show the sampling calculations resulting in 200 collection boxes per week per district.
7. On page 12, footnote 7, of the Statistical Design Plan, the Postal Service refers to some small number of 3-digit ZIP Codes that “will be excluded from the Carrier Sampling process but will be included in other aspects of measurement.”
 - a. Please identify the 3-digit ZIP Codes that will be excluded from the Carrier Sampling process.
 - b. Are these ZIP Codes identical to those currently excluded from the External First-Class measurement system (EXFC)? If not, how do they differ?
 - c. What is the Postal Service referring to when it states “other aspects of measurement”?
8. On page 13 of the Statistical Design Plan, the Postal Service indicates that there is still a risk that sampling targets for flats will not be achieved. On the same page, the Postal Service provides some general ideas of what can be done to decrease or eliminate such risk.
 - a. Please indicate a time frame when the Postal Service expects to solve, or at least minimize, this problem?
 - b. Please describe the Postal Service’s ongoing efforts aimed to ensure that sampling targets for flats are achieved.

9. On page 19 of the Statistical Design Plan, the Postal Service states: “[t]he initial sample size targets were established leveraging the available data from the current service measurement systems.” Please describe what data from the current measurement systems the Postal Service used in the process of estimating the initial sample size targets.
10. On page 19 of the Statistical Design Plan, the Postal Service states: “[t]he selected sample size of 3,000 delivery points per week per district, or approximately 500 delivery points per day is expected to be sufficient to yield the precision levels in Table 6.1 below for 90 percent of districts for the required quarterly service performance estimates.”
 - a. Please confirm that the sample size of delivery points per week per district would not differ by district. If not confirmed, please provide the range for delivery points per week per district.
 - b. Please describe the statistical methodology and provide the resulting calculations (including the worksheets) used to estimate the sample size of delivery points (per week per district).
11. On page 31 of the Statistical Design Plan, the Postal Service discusses two types of non-sampling errors.
 - a. Has the Postal Service initiated any testing to evaluate the impact of these errors? Please provide the results of such testing, if applicable.
 - b. Is the Postal Service anticipating (under certain conditions in the near future) these errors will lose significance to the degree they could be dismissed without consideration? Please indicate any underlying conditions and the possible time frame.
12. Please refer to Library Reference USPS-LR-PI2015-1/1, slide 7. The Postal Service provides a brief explanation of the density test process, which “[u]ses an actual count for letters or records a linear measurement of letters contained in

the box,” “[c]onverts linear measurement to pieces currently at 227 pieces per foot” and adds “actual piece counts for flats and small parcels.” It also indicates that “[m]ail density is measured at least once annually.”

- a. Please explain how the Postal Service defines “linear measurement of letters” and under what conditions the actual count for letters in a tested collection box is substituted.
 - b. Please explain how the Postal Service estimated the 227 pieces per foot, and how often the corresponding number will be re-evaluated.
 - c. Please clarify what the Postal Service means by adding “actual piece counts for flats and small parcels.”
 - d. Please explain if the Postal Service is undertaking density testing for each collection point separately for letters and flats. If not, please explain how the Postal Service is going to achieve the sampling targets for flats.
 - e. Using an example, please illustrate the density testing process for a collection box.
 - f. Please indicate if the Postal Service accounts for any seasonal differences in mail density in a particular collection point. If so, please provide the methodology. If seasonal differences are not accounted for, please explain why not.
13. Please refer to Library Reference USPS-LR-PI2015-1/1, slide 22. The Postal Service states: “[d]elivery points with higher expected volumes will have proportionally greater chances of selection.” Please confirm that the methodology for estimating mail density of delivery points is the same as the methodology for estimating mail density of collection boxes. If not confirmed, please explain the difference and provide the methodology to estimate mail density of collection points.

14. Please refer to Library Reference USPS-LR-PI2015-1/1, slide 22. The Postal Service states: “[t]here is a configurable maximum number of pieces to scan at a delivery point.” Please explain how the Postal Service estimates the maximum number of pieces to scan (at a delivery point).

By the Acting Chairman.

Robert G. Taub